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Message Text

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67
ACTION OES-06

INFO OCT-01 EA-09 ISO-00 FEA-01 ACDA-10 CIAE-00 INR-07

IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-07 DODE-00 AID-05

CEA-01 CIEP-02 COME-00 FPC-01 H-02 INT-05 OMB-01

PM-04 USIA-15 SAM-01 SP-02 SS-15 STR-04 TRSE-00 /127 W
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R 210308Z MAY 76
FM AMEMBASSY TOKYO
TO USERDA GERMANTOWN
INFO SECSTATE WASHDC 9350

UNCLAS TOKYO 7525

ERDA FOR SIEVERING FROM HENOCH

E.O. 11652: N/A
TAGS: TECH, JA
SUBJECT: RUSSO-JAPANESE NUCLEAR PLANT SALE

FOLLOWING ARTICLE APPEARED IN ASAHI EVENING NEWS OF
THURS, MAY 20: QUOTE: N-PLANT DEAL TALKS SET WITH RUSSIA.
PARA. SIX JAPANESE MANUFACTURERS OF NUCLEAR POWER PLANT
EQUIPMENT ARE DUE TO SUBMIT COST ESTIMATES TO RUSSIA IN JUNE
FOR SALE OF REACTOR VESSELS AND OTHER EQUIPMENT FOR SIX
1,000,000-KILOWATT ATOMIC POWER GENERATING UNITS IN BIGGEST
DEAL EVER, IF IT MATERIALIZES, FOR THE N-POWER INDUSTRY HERE.
THE SIX FIRMS ARE MITSUBISHI HEAVY INDUSTRIES, TOKYO SHIBAURA
ELECTRIC, FUJI ELECTRIC, HITACHI, ISHIKAWAJIMA-HARIMA AND
JAPAN STEEL WORKS. THE AGENCY THRUGH WHICH THE MATTER IS
BEING HANDLED IS THE JAPAN ATOMIC ENERGY INDUSTRY FORUM,HTHE
ASSOCIATION FOR THE NUCLEAR POWER EQUIPMENT MANUFACTURING
INDUSTRY. THE TOTAL VALUE OF THE DEAL IS PUT AT SLIGHTLY
UNDER YEN200 BILLION.

PARA. THE GENERATING UNITS ARE A MAJOR PROJECT IN RUSSIA'S
CURRENT FIVE-YEAR PLAN, ALTHOUGH THE NUMBER OF UNITS HAS BEEN
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CUT FROM AN ORIGINALLY PLANNED TOTAL OF TEN.

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PARA. SINCE RUSSIA WILL SUPPLY THE BLUEPRINTS, AND TO WHOSE DESIGNS AND SPECIFICATIONS THE EQUIPMENT IN THE ORDER WILL BE MANUFACTURED, THE FORUM EXPECTS TO HAVE LITTLE REAL DIFFICULTY IN SECURING CLEARANCE FROM COCOM, THE COMMITTEE OF THE NORTH ATLANTIC TREATY ORGANIZATIONS AND JAPAN WHICH REGULATES TRADE IN STRATEGIC ITEMS WITH THE COMMUNIST BLOC COUNTRIES. RUSSIA SOUNDED OUT JAPANESE FIRMS ON PURCHASE OF THE EQUIPMENT IN 1974. IN THE SUMMER OF 1975, THE FORUM SENT A TEAM OF ENGINEERS FROM THE SIX COMPANIES TO MOSCOW FOR TALKS WITH THE SOVIETS.

PARA. THE UNITS WOULD BE INSTALLED AND BUILT AT THE RATE OF TWO A YEAR. THE EQUIPMENT JAPAN WOULD SUPPLY INCLUDE REACTOR AND STEAM PRESSURE VESSELS. AS THE SOVIETS WOULD DO ALL THE WORK OF CONSTRUCTION, INSTALLATION, SAFETY CHECKS AND OPERATION, ALL THAT THE JAPANESE MANUFACTURERS WOULD BE REQUIRED TO DO IS TO SUPPLY THE EQUIPMENT BUILT TO THE SOVIET SPECIFICATIONS.

RUSSIA IS KNOWN TO HAVE ASKED FOR ESTIMATES FROM SEVERAL OTHER COUNTRIES, INCLUDING ITALY. THE RECENT DEVALUATION OF THE LIRA GIVES ITALY A PRICE ADVANTAGE BUT THE JAPANESE MANUFACTURERS BELIEVE THEY HAVE AN EDGE IN TECHNOLOGY.

THE JAPANESE FIRMS ARE ESPECIALLY ANXIOUS TO GET THE DEAL AS DOMESTIC BUSINESS HAS BEEN SLOW AND THEY HAVE CONSIDERABLE IDLED LABOR AND PLANT CAPACITY. THE JAPANESE GOVERNMENT AND BUSINESS ARE ACTIVELY SUPPORTING THE FORM, AND THE GOVERNMENTAL JAPAN EXPORT-IMPORT BANK IS READY TO GRANT AS FAVORABLE EXPORT CREDIT TERMS AS IT CAN. END QUOTE.
HODGSON

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